



## **Portability of Benefits for Movements Between Civil Service and Nonappropriated Fund Employment Systems**

References: “Portability of Benefits for Moves Between Civil Service and Nonappropriated Fund Employment Systems” CPMS Reference Guide, July 2004 ( [www.cpms.osd.mil/nafppo/index\\_cs.html](http://www.cpms.osd.mil/nafppo/index_cs.html) )

The DoD nonappropriated fund (NAF) employment system is governed by laws and regulations that, with a few exceptions, are different from those governing appropriated fund (APF) civil service positions. NAF employee benefit programs, such as retirement, health, and life insurance, are different from the benefit programs covering APF employees. Unless specifically provided by law or regulation, NAF service is not creditable for purposes of civil service benefits, and service in an APF position is not creditable for purposes of DoD NAF benefits. Fortunately, there are some laws and regulations that enable DoD employees to move between NAF and APF positions without suffering a large loss in pay or benefits. This is known as “portability.”

An employee who moves between a DoD NAF position and a DoD APF position with a break in service of 3 days or less is eligible for a range of pay and benefit protections. The Portability of Benefits for Nonappropriated Fund Employees Act of 1990, Public Law 101-508, permits eligible employees to transfer annual, sick, and home leave balances between the two employment systems; receive service credit for annual leave accrual and reduction in force/NAF Business Based Action purposes; and have their highest previous rate of pay considered when applying for a job in the other employment system. Civil service and DoD NAF regulations also permit service credit for severance pay purposes, and authorization for travel, transportation, and relocation allowances.

Public Law 104-106 and Public Law 107-107 expanded employee’s retirement election opportunities to make it easier for employees to continue retirement coverage after moving between NAF and APF positions. Eligible employees who move, with a break in service of 1 year or less, between DoD or Coast Guard NAF positions and retirement-covered civil service positions in any agency, may elect to continue retirement coverage in the losing employment system’s retirement plan. Additionally, eligible employees may use prior NAF service to qualify for an immediate civil service retirement (this credit is for eligibility purposes only and will not result in higher civil service annuity benefits).

Employees who move between the two employment systems should consult both the NAF and APF HROs to ensure pay and benefits are handled appropriately in both employment systems.